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SECOND INDUSTRIAL DEVELOPMENT DECADE FOR AFRICA

Note by the Secretariat

1. The present document updates the progress report contained in document IDB.15/6 and provides, in particular, information concerning the establishment by the UNIDO Programme and Project Review Committee (PPRC) of special programming "windows" within the overall framework of the programme for the Second Industrial Development Decade for Africa (IDDA). Enhancement of IDDA through the Alliance for Africa's Industrialization is also addressed. In compliance with decision IDB.15/Dec.6, a complete report will be sub nitted to the seventeenth session of the Board on the implementation of that decision, including a consolidated in-depth evaluation on the implementation of the programme.

2. Total funds allocated for the IDDA programme during the biennium amount to approximately $10.6 million (at an exchange rate of US$ 1 = AS 12.90)*. Thus, despite the financial difficulties faced by the Organization, the overall IDDA allocation for the biennium has not suffered reduction and has accordingly increased in relative terms as compared against the overall UNIDO budget. The programme retains its two distinct components with the following allocations for the 1996-1997 biennium:

Technical cooperation (XA)	$4.6 million*
Supplementary activities (YA)	$6.0 million (of which short-term advisory services (STAS) account for $1.2 million)

3. In the current biennium, as an innovative management practice, three programming windows have been established within the overall framework. As approved by PPRC, these are as follows (not including STAS):

Window 1 ($3.4 million)

XA $1.6 million YA $1.8 million

This will cover all projects that were already in the pipeline for approval and implementation as well as a few projects carried over from the 1994-1995 biennium.

Window 2 ($3.0 million)

XA $1.0 million YA $2.0 million

These funds are earmarked for priority requests. The overriding consideration would be the need for timely response and delivery to urgent issues that arise. This is particularly relevant because the

*The budgetary allocation for the Regular Programme of Technical Cooperation, including the IDDA component, will be adjusted in accordance with the actual average rate of exchange for the biennium.

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Special Industrial Services programme is being discontinued at the end of 1996, following the United Nations Development Programme decision not to fund such services any longer.

Window 3 ($3.0 million)

XA $2.0 million YA $1.0 million

This will be available to support few—but large—programmes or projects with high impact and visibility that have a multiplier effect or result in mobilization of external funds and that may be carried out in cooperation with external partners. Due to their magnitude, these projects may extend beyond the limit of one biennium. For the purpose of further focusing and complying with the requests embodied in paragraph (g) of decision IDB.14/Dec.16 and paragraph (a) of resolution GC.6/Res.9, these projects and programmes will focus on the major themes of investment and technology promotion. In line with the spirit of the UNIDO reform, they should be developed through interdivisional cooperation to ensure adequate consideration of industrial subsector and thematic aspects.

4. Finally, in an unprecedented move to address particularly the problems of the 33 least developed countries (LDCs) of the continent, it was decided that 50 per cent of the total allocation for the 1996-1997 biennium will benefit LDCs. At the present level of the programme, and as also reported in document IDB.16/13, this means that $5.7 million is earmarked for LDCs in Africa. Projects within window 3 will give first priority to LDCs. While national projects will be exclusively for LDCs, regional projects might include other countries.

5. As of 30 July 1996, projects had been approved for implementation in the following amounts:

XA $1.7 million

YA $2.2 million (of which STAS accounted for $0.5 million)

6. Effective delivery of the programme is also very closely monitored. The delivery rate was exceptionally high during the first six months of 1996, as follows:

XA 32 per cent

YA 50 per cent (STAS implementation was 78 per cent)

These figures provide another clear sign of the commitment of the Organization to achieving the objectives of the Second IDDA.

7. A close monitoring and programme management system has been put in place to ensure that resources are effectively directed to the priority areas as defined by African countries themselves, and as reflected in the recommendations of the twelfth session of the Conference of African Ministers of Industry (CAMI). Projects submitted for approval are closely scrutinized to ensure that they fall under the seven UNIDO thematic priorities established by the General Conference (GC.6/Res.1; GC.6/30 and Add.1). Special consideration of the specific needs of LDCs is also essential. In that respect, close coordination is established with the Least Developed Countries Unit by way of periodic working-level reviews of project approvals and delivery.

8. The OAU Summit at Yaoundé, Cameroon, in July 1996 adopted a resolution strongly endorsing the creation and launching of an Alliance for Africa's Industrialization as "a dynamic mechanism for the attainment of the goals and objectives of the Industrial Development Decade for Africa". The resolution invited "Africa's development partners and the international community to intensify their cooperation with African governments and private sector, industrial enterprises in support of the Alliance". A separate document further elaborating the concept of the Alliance is provided under the symbol IDB.16/16.

9. In developing the programmes, as well as the course of their implementation, effective linkages between IDDA and the Alliance will be established to ensure a coherent and consistent approach. In particular, the Alliance would permit ECA, UNIDO and OAU to supplement and strengthen technical cooperation provided under IDDA in order to optimize the programme's impact in Africa.

ACTION REQUIRED OF THE BOARD

10. The Board may wish to take note of the information contained in the present document.